

**CITY OF ALTAMONT, KANSAS**

Financial Statements  
and  
Independent Auditors' Report

For the Year Ended December 31, 2010

**CITY OF ALTAMONT, KANSAS**

December 31, 2010

**TABLE OF CONTENTS**

	<u>PAGE NUMBER</u>
Independent Auditors' Report .....	1
<u>Statement 1</u>	
Summary of Cash Receipts, Expenditures, and Unencumbered Cash .....	2-3
<u>Statement 2</u>	
Summary of Expenditures – Actual and Budget (Budgeted Funds Only) .....	4
<u>Statement 3</u>	
Statement of Cash Receipts and Expenditures – Actual and Budget	
General Fund .....	5-7
Special Highway Fund .....	8
Recreation Fund .....	9
Utility Service Fund .....	10
Library Fund .....	11
Insurance and Equipment Reserve Fund.....	12
Police Vehicles Fund .....	13
Fire Department Grant Fund .....	14
City Sales Tax Fund .....	15
Fire Truck and Siren G.O. Bond and Interest Fund .....	16
Utility Truck Lease Purchase Fund .....	17
Broadband & Cable TV Capital Fund .....	18
Street Grant Fund .....	19
Sewer Grant Fund .....	20
Electric Utility Fund .....	21
Electric Utility Bond and Interest Fund .....	22
Electric Utility Reserve Fund .....	23
Electric Utility Bond Reserve Fund .....	24
Water Utility Fund .....	25
Water Utility Reserve Fund .....	26
Sewer Utility Fund .....	27
Sewer Utility Reserve Fund .....	28
Gas Utility Fund .....	29
Gas Utility Reserve Fund .....	30
Sanitation Utility Fund .....	31
Cable Television Utility Fund .....	32
Cable Television Utility Reserve Fund .....	33
Internet Utility Fund .....	34
Broadband Internet Utility Fund .....	35
Broadband & Cable Bond & Interest Fund .....	36
Broadband & Cable Bond Reserve Fund .....	37
Swimming Pool Fund .....	38
<u>Statement 4</u>	
Summary of Cash Receipts and Cash Disbursements - Agency Funds .....	39

**TABLE OF CONTENTS**  
(Continued)

	<u>PAGE NUMBER</u>
<u>Statement 5</u>	
Component Units – Statement of Cash Receipts and Expenditures – Actual:	
Altamont Public Library .....	40
Altamont Recreation Commission .....	41
Notes to Financial Statements .....	42-52

**JARRED, GILMORE & PHILLIPS, PA**  
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENTS AUDITORS' REPORT**

Honorable Mayor and City Council  
City of Altamont, Kansas

We have audited the accompanying financial statements of the City of Altamont, Kansas, as of and for the year ended December 31, 2010, as listed in the table of contents. These financial statements are the responsibility of the City of Altamont, Kansas' management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the City's 2009 financial statements and, in our report dated August 23, 2010, we expressed an unqualified opinion on the financial statements of the City of Altamont, Kansas, prepared in accordance with the statutory basis of accounting.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the Kansas Municipal Audit Guide. Those standards and guidance require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statutory basis financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the City has prepared these financial statements in conformity with the accounting practices prescribed by the State of Kansas to demonstrate compliance with the cash basis and budget laws of the State of Kansas, which practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matters discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City of Altamont, Kansas, as of December 31, 2010, the changes in its financial position, or where applicable, its cash flows for the year then ended.

Also, in our opinion, the financial statements referred above present fairly, in all material respects, the cash and unencumbered cash balances of the City of Altamont, Kansas, as of December 31, 2010, and its cash receipts and expenditures and budget to actual comparisons for the year then ended, taken as a whole, on the basis of accounting described in Note 1.



JARRED, GILMORE & PHILLIPS, PA  
Certified Public Accountants

July 26, 2011  
Chanute, Kansas

## CITY OF ALTAMONT, KANSAS

Summary of Cash Receipts, Expenditures, and Unencumbered Cash  
For the Year Ended December 31, 2010

Funds	Beginning Unencumbered Cash Balances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balances	Add Encumbrances and Accounts Payable	2010	Ending Cash Balance December 31, 2009
Governmental Type Funds:							
General	\$ 8,334.67	\$ 375,010.54	\$ 356,996.18	\$ 26,349.03	\$ 5,953.54	\$ 32,302.57	\$ 14,535.91
Special Revenue Funds:							
Special Highway	88,977.57	51,721.81	52,319.28	88,380.10	501.50	88,881.60	89,536.07
Recreation	(273.59)	5,865.76	5,586.85	5.32	-	5.32	(273.59)
Utility Service	2,214.48	25,284.97	25,747.63	1,751.82	2,565.90	4,317.72	5,192.83
Library	840.64	21,012.65	19,712.70	2,140.59	-	2,140.59	840.64
Insurance and Equipment Reserve	28,835.92	44,505.79	38,560.75	34,780.96	315.41	35,096.37	28,835.92
Police Vehicles	11,431.01	14,698.74	-	26,129.75	-	26,129.75	11,431.01
Fire Department Grant	60.00	-	-	60.00	-	60.00	60.00
City Sales Tax	37,870.39	82,944.62	27,530.75	93,284.26	1,177.00	94,461.26	37,870.39
Debt Service Funds:							
Fire Truck and Siren G.O. Bond and Interest	19,128.52	16,119.91	34,330.00	918.43	-	918.43	19,128.52
Capital Projects Funds:							
Utility Truck Lease Purchase	24,652.01	24,310.03	34,149.27	14,812.77	668.34	15,481.11	24,652.01
Broadband & Cable TV Capital	30,982.68	-	16,000.00	14,982.68	-	14,982.68	30,982.68
Street Grant	111,198.63	168,036.11	279,234.74	-	-	-	111,198.63
Sewer Grant	-	15,500.00	36,204.88	(20,704.88)	22,315.25	1,610.37	-
Enterprise Funds:							
Electric Utility	33,837.88	845,464.03	808,235.28	71,066.63	41,273.77	112,340.40	74,593.59
Electric Bond and Interest	158,537.06	65,178.05	73,992.50	149,722.61	-	149,722.61	158,537.06
Electric Utility Reserve	11,144.54	10,073.18	-	21,217.72	-	21,217.72	14,779.73
Electric Utility Bond Reserve	104,553.40	-	-	104,553.40	-	104,553.40	104,553.40
Water Utility	4,239.40	218,051.13	230,119.01	(7,828.48)	21,162.31	13,333.83	15,967.79
Water Utility Reserve	55,320.30	1,073.18	21,680.00	34,713.48	-	34,713.48	55,320.30
Sewer Utility	15,420.58	89,927.46	92,502.16	12,845.88	3,039.83	15,885.71	16,831.99
Sewer Utility Reserve	28,018.21	73.18	348.06	27,743.33	-	27,743.33	28,780.51
Gas Utility	(33,416.26)	542,084.85	503,881.77	4,786.82	39,033.88	43,820.70	41,979.12
Gas Utility Reserve	9,036.80	57,073.18	66,064.32	45.66	-	45.66	9,036.80
Sanitation Utility	12,950.28	112,122.89	114,675.77	10,397.40	6,012.43	16,409.83	16,234.15
Cable Television Utility	8,746.09	7,441.82	16,187.91	-	-	-	12,444.67

The notes to the financial statements are  
an integral part of this statement.

## CITY OF ALTAMONT, KANSAS

Summary of Cash Receipts, Expenditures, and Unencumbered Cash  
For the Year Ended December 31, 2010

Funds	Beginning Unencumbered Cash Balances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balances	Add Encumbrances and Accounts Payable	Ending Cash Balance	
						2010	2009
Broadband Internet Utility Swimming Pool	\$ 65,309.42 1,232.90	\$ 549.63 26,123.73	\$ 45,537.72 25,388.28	\$ 20,321.33 1,968.35	\$ - 14.40	\$ 20,321.33 1,982.75	\$ 65,309.42 1,260.96
Total Primary Government	839,183.53	2,820,247.24	2,924,985.81	734,444.96	144,033.56	878,478.52	989,620.51
Component Units:							
Altamont Public Library	55,340.45	7,307.58	5,523.82	57,124.21	-	57,124.21	55,340.45
Altamont Recreation Commission	23,023.02	7,649.32	8,038.40	22,633.94	-	22,633.94	23,023.02
Total Component Units	78,363.47	14,956.90	13,562.22	79,758.15	-	79,758.15	78,363.47
Total Reporting Entity (Excluding Agency Funds)	\$ 917,547.00	\$ 2,835,204.14	\$ 2,938,548.03	\$ 814,203.11	\$ 144,033.56	\$ 958,236.67	\$ 1,067,983.98
Composition of Cash:							
Petty Cash.....						\$ 300.00	\$ 300.00
Operating Checking Account.....						207,142.99	320,131.63
Municipal Court Checking Account.....						3,535.01	3,256.00
Certificates of Deposit.....						700,000.00	700,000.00
Total Primary Government.....						910,978.00	1,023,687.63
Total Component Units.....						79,758.15	78,363.47
Total Cash.....						990,736.15	1,102,051.10
Less: Agency Funds Per Statement 4.....						(32,499.48)	(34,067.12)
Total Reporting Entity.....						\$ 958,236.67	\$ 1,067,983.98

The notes to the financial statements are  
an integral part of this statement.

## CITY OF ALTAMONT, KANSAS

Summary of Expenditures - Actual and Budget  
(Budgeted Funds Only)  
For the Year Ended December 31, 2010

Funds	Total Certified Budget	Qualifying Adjustments for Budget Credits	Total Budget for Comparison	Expenditures Charged to Current Year Budget	Variance - Over (Under)
General	\$ 408,895.00	\$ 527.48	\$ 409,422.48	\$ 356,996.18	\$ (52,426.30)
Special Revenue Funds:					
Special Highway	100,000.00	1,457.65	101,457.65	52,319.28	(49,138.37)
Recreation	6,000.00	-	6,000.00	5,586.85	(413.15)
Utility Service	29,700.00	-	29,700.00	25,747.63	(3,952.37)
Library	21,000.00	-	21,000.00	19,712.70	(1,287.30)
Insurance Reserve	144,340.00	34,241.37	178,581.37	38,560.75	(140,020.62)
Police Vehicles	23,500.00	-	23,500.00	-	(23,500.00)
City Sales Tax	100,500.00	-	100,500.00	27,530.75	(72,969.25)
Debt Service Funds:					
Fire Truck and Siren G.O.					
Bond and Interest	35,200.00	-	35,200.00	34,330.00	(870.00)
Enterprise Funds:					
Electric Utility	835,500.00	2,279.51	837,779.51	808,235.28	(29,544.23)
Electric Utility Bond and Interest	77,000.00	-	77,000.00	73,992.50	(3,007.50)
Water Utility	255,490.00	-	255,490.00	230,119.01	(25,370.99)
Sewer Utility	160,000.00	66.72	160,066.72	92,502.16	(67,564.56)
Gas Utility	750,246.00	303.22	750,549.22	503,881.77	(246,667.45)
Sanitation Utility	146,000.00	73.44	146,073.44	114,675.77	(31,397.67)
Cable Television Utility	32,000.00	7,319.42	39,319.42	-	(39,319.42)
Broadband Internet Utility	130,000.00	-	130,000.00	45,537.72	(84,462.28)
Swimming Pool	38,143.00	-	38,143.00	25,388.28	(12,754.72)

The notes to the financial statements are  
an integral part of this statement.

**CITY OF ALTAMONT, KANSAS**  
**GENERAL FUND**

Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended December 31, 2010  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenue				
Ad Valorem Property Tax	\$ 120,153.37	\$ 125,724.82	\$ 129,729.00	\$ (4,004.18)
Delinquent Tax	2,406.00	2,668.10	2,000.00	668.10
Motor Vehicle Tax	34,768.83	34,063.12	30,255.00	3,808.12
Recreational Vehicle Tax	278.73	303.95	307.00	(3.05)
16 & 20m Truck Tax	492.36	547.47	519.00	28.47
Machinery and Equipment	358.27	-	-	-
Intergovernmental				
Sales Tax	81,660.83	76,655.73	90,000.00	(13,344.27)
Special Assessments	400.00	750.00	300.00	450.00
Federal Grants - Click It	599.76	1,123.36	-	1,123.36
State Grants - Lake	7,500.00	-	-	-
Charges for Services				
Copies	333.09	387.20	400.00	(12.80)
Permits/ Dog Tags	1,732.00	1,504.00	1,500.00	4.00
Cereal Malt Beverage Licenses	225.00	275.00	200.00	75.00
Utility Penalties	11,731.10	9,016.65	11,000.00	(1,983.35)
Court Fines	22,150.66	26,986.10	35,000.00	(8,013.90)
Gate Receipts	7,500.00	24,013.77	-	24,013.77
Fire Runs	4,725.84	3,423.26	-	3,423.26
Use of Money and Property				
Interest Income	2,765.20	1,822.80	3,000.00	(1,177.20)
Park Building Rent	720.00	824.00	1,000.00	(176.00)
Other Receipts				
Donations	-	1,855.00	6,000.00	(4,145.00)
Reimbursed Expense	2,325.70	527.48	10,000.00	(9,472.52)
Miscellaneous	1,184.85	1,538.73	5,000.00	(3,461.27)
Operating Transfers from:				
Electric Utility Fund	32,607.20	36,000.00	36,000.00	-
Broadband Internet Utility Fund	4,000.00	-	-	-
Gas Utility Fund	5,000.00	25,000.00	25,000.00	-
Total Cash Receipts	345,618.79	375,010.54	\$ 387,210.00	\$ (12,199.46)

The notes to the financial statements are  
an integral part of this statement.



**CITY OF ALTAMONT, KANSAS**  
**GENERAL FUND**

Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended December 31, 2010  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Expenditures and Transfers				
Subject to Budget				
General Government				
Personal Services	\$ 47,644.30	\$ 48,103.39	\$ 49,500.00	\$ (1,396.61)
Contractual Services	12,213.02	9,954.92	9,400.00	554.92
Commodities	1,413.58	926.84	2,000.00	(1,073.16)
Capital Outlay	-	-	2,500.00	(2,500.00)
Police Department				
Personal Services	126,191.26	131,030.13	137,000.00	(5,969.87)
Contractual Services	16,025.90	18,843.60	19,000.00	(156.40)
Commodities	4,086.45	5,420.13	6,250.00	(829.87)
Capital Outlay	12,227.57	12,583.30	19,000.00	(6,416.70)
Court				
Personal Services	3,875.40	3,875.40	4,800.00	(924.60)
Contractual Services	1,171.20	1,655.26	1,800.00	(144.74)
Commodities	194.23	201.00	325.00	(124.00)
Fire Department				
Personal Services	16,636.35	10,965.47	24,400.00	(13,434.53)
Contractual Services	5,581.33	6,199.66	8,000.00	(1,800.34)
Commodities	4,225.91	3,233.89	6,500.00	(3,266.11)
Capital Outlay	3,385.97	1,166.28	3,500.00	(2,333.72)
Park				
Personal Services	-	950.29	1,200.00	(249.71)
Contractual Services	526.79	466.25	500.00	(33.75)
Commodities	317.67	3,573.20	3,220.00	353.20
Capital Outlay	-	-	1,000.00	(1,000.00)
Building Maintenance				
Personal Services	6,611.24	8,214.22	9,800.00	(1,585.78)
Contractual Services	522.00	-	700.00	(700.00)
Commodities	-	66.62	1,000.00	(933.38)
Capital Outlay	-	-	15,000.00	(15,000.00)
Capital Improvement				
Capital Outlay	7,008.00	13,439.66	-	13,439.66

The notes to the financial statements are  
an integral part of this statement.

**CITY OF ALTAMONT, KANSAS**  
**GENERAL FUND**

Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended December 31, 2010  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Expenditures and Transfers Subject to Budget (Continued)				
Lake				
Commodities	\$ 25,682.27	\$ 21,669.12	\$ 10,000.00	\$ 11,669.12
Street				
Capital Outlay	-	12,000.00	58,500.00	(46,500.00)
Debt Service				
Principal	5,613.41	2,229.00	-	2,229.00
Interest	100.93	44.80	-	44.80
Operating Transfers to:				
Special Highway Fund	7,000.00	19,000.00	-	19,000.00
Police Vehicles Fund	14,500.00	14,000.00	14,000.00	-
Street Grant Fund	23,000.00	7,183.75	-	7,183.75
Total Certified Budget			408,895.00	(51,898.82)
Adjustments for Qualifying				
Budget Credits			527.48	(527.48)
Total Expenditures and Transfers Subject to Budget	<u>345,754.78</u>	<u>356,996.18</u>	<u>\$ 409,422.48</u>	<u>\$ (52,426.30)</u>
Receipts Over(Under) Expenditures	(135.99)	18,014.36		
Unencumbered Cash, Beginning	<u>8,470.66</u>	<u>8,334.67</u>		
Unencumbered Cash, Ending	<u>\$ 8,334.67</u>	<u>\$ 26,349.03</u>		

The notes to the financial statements are  
an integral part of this statement.

**CITY OF ALTAMONT, KANSAS**  
**SPECIAL HIGHWAY FUND**

Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended December 31, 2010  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

		Current Year		Variance -
	Prior Year Actual	Actual	Budget	Over (Under)
Cash Receipts				
Taxes and Shared Revenue				
Special Highway Tax	\$ 26,539.73	\$ 28,186.92	\$ 30,000.00	\$ (1,813.08)
Use of Money and Property				
Interest Income	458.54	1,077.24	-	1,077.24
Other Receipts				
Reimbursed Expense	353.02	1,457.65	2,000.00	(542.35)
Operating Transfers from:				
General Fund	7,000.00	19,000.00	-	19,000.00
City Sales Tax Fund	20,000.00	2,000.00	-	2,000.00
Total Cash Receipts	54,351.29	51,721.81	\$ 32,000.00	\$ 19,721.81
Expenditures and Transfers				
Subject to Budget				
Street Maintenance				
Personal Services	312.19	2,904.90	\$ 4,000.00	\$ (1,095.10)
Contractual Services	1,408.77	2,666.72	2,000.00	666.72
Commodities	21,717.63	16,747.66	64,000.00	(47,252.34)
Capital Outlay	-	30,000.00	30,000.00	-
Total Certified Budget			100,000.00	(47,680.72)
Adjustments for Qualifying				
Budget Credits			1,457.65	(1,457.65)
Total Expenditures and Transfers				
Subject to Budget	23,438.59	52,319.28	\$ 101,457.65	\$ (49,138.37)
Receipts Over(Under) Expenditures	30,912.70	(597.47)		
Unencumbered Cash, Beginning	58,064.87	88,977.57		
Unencumbered Cash, Ending	\$ 88,977.57	\$ 88,380.10		

The notes to the financial statements are  
an integral part of this statement.

**CITY OF ALTAMONT, KANSAS**  
**RECREATION FUND**

Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended December 31, 2010  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenue				
Ad Valorem Property Tax	\$ 4,122.92	\$ 4,569.36	\$ 4,715.00	\$ (145.64)
Delinquent Tax	91.78	98.44	-	98.44
Motor Vehicle Tax	1,204.74	1,168.79	1,039.00	129.79
Recreational Vehicle Tax	9.54	10.43	11.00	(0.57)
16 & 20m Truck Tax	24.75	18.74	18.00	0.74
Machinery and Equipment	21.78	-	-	-
Total Cash Receipts	5,475.51	5,865.76	\$ 5,783.00	\$ 82.76
Expenditures and Transfers				
Subject to Budget				
Culture and Recreation				
Appropriations to the				
Recreation Commission	5,100.00	5,250.00	\$ 6,000.00	\$ (750.00)
Contractual Services	432.73	336.85	-	336.85
Commodities	217.27	-	-	-
Total Expenditures and Transfers				
Subject to Budget	5,750.00	5,586.85	\$ 6,000.00	\$ (413.15)
Receipts Over(Under) Expenditures	(274.49)	278.91		
Unencumbered Cash, Beginning	0.90	(273.59)		
Unencumbered Cash, Ending	\$ (273.59)	\$ 5.32		

The notes to the financial statements are  
an integral part of this statement.

**CITY OF ALTAMONT, KANSAS**  
**UTILITY SERVICE FUND**

Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended December 31, 2010  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenue				
Ad Valorem Property Tax	\$ 18,075.88	\$ 18,230.38	\$ 18,813.00	\$ (582.62)
Delinquent tax	362.27	414.26	-	414.26
Motor Vehicle Tax	4,885.56	5,112.57	4,551.00	561.57
Recreational Vehicle Tax	38.72	45.71	46.00	(0.29)
16 & 20m Truck Tax	99.75	76.05	78.00	(1.95)
Machinery and Equipment	53.90	-	-	-
Use of Money or Property				
Interest Income	137.25	126.75	300.00	(173.25)
Other Receipts				
Reimbursed Expense	-	1,279.25	2,000.00	(720.75)
Total Cash Receipts	<u>23,653.33</u>	<u>25,284.97</u>	<u>\$ 25,788.00</u>	<u>\$ (503.03)</u>
Expenditures and Transfers				
Subject to Budget				
General Government				
Contractual Services	<u>27,803.53</u>	<u>25,747.63</u>	<u>\$ 29,700.00</u>	<u>\$ (3,952.37)</u>
Total Expenditures and Transfers				
Subject to Budget	<u>27,803.53</u>	<u>25,747.63</u>	<u>\$ 29,700.00</u>	<u>\$ (3,952.37)</u>
Receipts Over(Under) Expenditures	(4,150.20)	(462.66)		
Unencumbered Cash, Beginning	<u>6,364.68</u>	<u>2,214.48</u>		
Unencumbered Cash, Ending	<u>\$ 2,214.48</u>	<u>\$ 1,751.82</u>		

The notes to the financial statements are  
an integral part of this statement.

**CITY OF ALTAMONT, KANSAS**  
**LIBRARY FUND**

Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended December 31, 2010  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenue				
Ad Valorem Property Tax	\$ 11,861.87	\$ 14,179.11	\$ 14,632.00	\$ (452.89)
Delinquent Tax	283.10	294.46	200.00	94.46
Motor Vehicle Tax	3,922.28	3,376.37	2,987.00	389.37
Recreational Vehicle Tax	31.21	30.01	30.00	0.01
16 & 20m Truck Tax	72.77	61.23	51.00	10.23
Machinery and Equipment	35.38	-	-	-
Use of Money and Property				
Interest Income	42.28	71.47	100.00	(28.53)
Operating Transfers from				
Water Utility Fund	3,000.00	3,000.00	3,000.00	-
Total Cash Receipts	19,248.89	21,012.65	\$ 21,000.00	\$ 12.65
Expenditures and Transfers				
Subject to Budget				
General Government				
Personal Services	18,628.63	18,977.91	\$ 20,000.00	\$ (1,022.09)
Contractual Services	688.73	734.79	1,000.00	(265.21)
Total Expenditures and Transfers				
Subject to Budget	19,317.36	19,712.70	\$ 21,000.00	\$ (1,287.30)
Receipts Over(Under) Expenditures	(68.47)	1,299.95		
Unencumbered Cash, Beginning	909.11	840.64		
Unencumbered Cash, Ending	\$ 840.64	\$ 2,140.59		

The notes to the financial statements are  
an integral part of this statement.

**CITY OF ALTAMONT, KANSAS**  
**INSURANCE AND EQUIPMENT RESERVE FUND**

Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended December 31, 2010

(With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Cash Receipts				
Intergovernmental				
Federal Grants - FEMA	\$ 12,184.21	\$ -	\$ -	\$ -
State Grants - FEMA	1,152.98	-	-	-
Use of Money and Property				
Interest Income	171.31	264.42	-	264.42
Other Receipts				
Reimbursed Expense	28,956.96	34,241.37	35,000.00	(758.63)
Operating Transfers from Electric Utility Fund	5,000.00	10,000.00	49,000.00	(39,000.00)
Total Cash Receipts	47,465.46	44,505.79	\$ 84,000.00	\$ (39,494.21)
Expenditures and Transfers				
Subject to Budget				
General Government				
Contractual Services	45,084.01	38,560.75	\$ 44,340.00	\$ (5,779.25)
Capital Outlay	19,700.90	-	100,000.00	(100,000.00)
Total Certified Budget			144,340.00	(105,779.25)
Adjustments for Qualifying				
Budget Credits			34,241.37	(34,241.37)
Total Expenditures and Transfers Subject to Budget	64,784.91	38,560.75	\$ 178,581.37	\$ (140,020.62)
Receipts Over(Under) Expenditures	(17,319.45)	5,945.04		
Unencumbered Cash, Beginning	46,155.37	28,835.92		
Unencumbered Cash, Ending	\$ 28,835.92	\$ 34,780.96		

The notes to the financial statements are  
an integral part of this statement.

**CITY OF ALTAMONT, KANSAS**  
**POLICE VEHICLES FUND**

Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended December 31, 2010  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

		Current Year		Variance -
	Prior Year Actual	Actual	Budget	Over Over (Under)
Cash Receipts				
Use of Money and Property				
Interest Income	\$ 220.71	\$ 173.74	\$ 313.00	\$ (139.26)
Other Receipts				
Insurance Proceeds	2,372.50	-	-	-
Miscellaneous	-	525.00	-	525.00
Operating Transfers from General Fund	14,500.00	14,000.00	14,000.00	-
Total Cash Receipts	17,093.21	14,698.74	\$ 14,313.00	\$ 385.74
Expenditures and Transfers				
Subject to Budget				
Debt Service				
Principal	31,599.01	-	\$ 23,500.00	\$ (23,500.00)
Interest	1,895.80	-	-	-
Total Expenditures and Transfers Subject to Budget	33,494.81	-	\$ 23,500.00	\$ (23,500.00)
Receipts Over(Under) Expenditures	(16,401.60)	14,698.74		
Unencumbered Cash, Beginning	27,832.61	11,431.01		
Unencumbered Cash, Ending	\$ 11,431.01	\$ 26,129.75		

The notes to the financial statements are  
an integral part of this statement.



**CITY OF ALTAMONT, KANSAS**  
**FIRE DEPARTMENT GRANT FUND**

Statement of Cash Receipts and Expenditures - Actual  
For the Year Ended December 31, 2010

(With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Other Receipts		
Donations	\$ 60.00	\$ -
Total Cash Receipts	60.00	-
Expenditures and Transfers		
General Government		
Contractual Services	-	-
Total Expenditures and Transfers	-	-
Receipts Over(Under) Expenditures	60.00	-
Unencumbered Cash, Beginning	-	60.00
Unencumbered Cash, Ending	\$ 60.00	\$ 60.00

The notes to the financial statements are  
an integral part of this statement.

**CITY OF ALTAMONT, KANSAS**  
**CITY SALES TAX FUND**

Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended December 31, 2010  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Intergovernmental				
Sales Tax	\$ 86,846.37	\$ 82,582.57	\$ 100,000.00	\$ (17,417.43)
Use of Money or Property				
Interest Income	275.53	362.05	500.00	(137.95)
Total Cash Receipts	87,121.90	82,944.62	\$ 100,500.00	\$ (17,555.38)
Expenditures and Transfers				
Subject to Budget				
General Government				
Contractual Services	20,000.00	15,530.75	\$ -	\$ 15,530.75
Capital Outlay	-	-	100,500.00	(100,500.00)
Operating Transfers to:				
Water Utility Fund	9,461.75	-	-	-
Sewer Utility Reserve Fund	10,000.00	-	-	-
Special Highway Fund	20,000.00	2,000.00	-	2,000.00
Gas Utility Reserve Fund	-	10,000.00	-	10,000.00
Total Expenditures and Transfers				
Subject to Budget	59,461.75	27,530.75	\$ 100,500.00	\$ (72,969.25)
Receipts Over(Under) Expenditures	27,660.15	55,413.87		
Unencumbered Cash, Beginning	10,210.24	37,870.39		
Unencumbered Cash, Ending	\$ 37,870.39	\$ 93,284.26		

The notes to the financial statements are  
an integral part of this statement.

**CITY OF ALTAMONT, KANSAS**  
**FIRE TRUCK AND SIREN G.O. BOND AND INTEREST FUND**  
Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended December 31, 2010

(With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenue				
Ad Valorem Property Tax	\$ -	\$ 3,942.45	\$ 4,069.00	\$ (126.55)
Delinquent Tax	71.52	7.29	-	7.29
Use of Money and Property				
Interest Income	346.30	170.17	250.00	(79.83)
Operating Transfers from Sanitation Utility Fund	12,000.00	12,000.00	12,000.00	-
Total Cash Receipts	12,417.82	16,119.91	\$ 16,319.00	\$ (199.09)
Expenditures and Transfers Subject to Budget				
Debt Service				
Bond Principal	25,000.00	25,000.00	\$ 35,200.00	\$ (10,200.00)
Bond Interest	10,155.00	9,330.00	-	9,330.00
Total Expenditures and Transfers Subject to Budget	35,155.00	34,330.00	\$ 35,200.00	\$ (870.00)
Receipts Over(Under) Expenditures	(22,737.18)	(18,210.09)		
Unencumbered Cash, Beginning	41,865.70	19,128.52		
Unencumbered Cash, Ending	\$ 19,128.52	\$ 918.43		

The notes to the financial statements are  
an integral part of this statement.

**CITY OF ALTAMONT, KANSAS**  
**UTILITY TRUCK LEASE PURCHASE FUND**

Statement of Cash Receipts and Expenditures - Actual  
For the Year Ended December 31, 2010

(With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Use of Money and Property		
Interest Income	\$ 453.14	\$ 310.03
Operating Transfers from		
Electric Utility Fund	<u>29,000.00</u>	<u>24,000.00</u>
Total Cash Receipts	<u>29,453.14</u>	<u>24,310.03</u>
Expenditures and Transfers		
Capital Projects		
Capital Outlay	21,450.00	34,149.27
Debt Service		
Principal	17,205.73	-
Interest	<u>1,140.66</u>	<u>-</u>
Total Expenditures and Transfers	<u>39,796.39</u>	<u>34,149.27</u>
Receipts Over(Under) Expenditures	(10,343.25)	(9,839.24)
Unencumbered Cash, Beginning	<u>34,995.26</u>	<u>24,652.01</u>
Unencumbered Cash, Ending	<u>\$ 24,652.01</u>	<u>\$ 14,812.77</u>

The notes to the financial statements are  
an integral part of this statement.

**CITY OF ALTAMONT, KANSAS**  
**BROADBAND & CABLE TV CAPITAL FUND**  
Statement of Cash Receipts and Expenditures - Actual  
For the Year Ended December 31, 2010  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Use of Money and Property		
Interest Income	\$ 297.68	\$ -
Total Cash Receipts	297.68	-
Expenditures and Transfers		
Capital Projects		
Capital Outlay	-	16,000.00
Total Expenditures and Transfers	-	16,000.00
Receipts Over(Under) Expenditures	297.68	(16,000.00)
Unencumbered Cash, Beginning	30,685.00	30,982.68
Unencumbered Cash, Ending	\$ 30,982.68	\$ 14,982.68

The notes to the financial statements are  
an integral part of this statement.

**CITY OF ALTAMONT, KANSAS**  
**STREET GRANT FUND**

Statement of Cash Receipts and Expenditures - Actual  
For the Year Ended December 31, 2010  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Intergovernmental		
Federal Grants	\$ -	\$ 160,000.00
Use of Money and Property		
Interest Income	2,254.83	852.36
Operating Transfers from General Fund	23,000.00	7,183.75
Total Cash Receipts	25,254.83	168,036.11
Expenditures and Transfers		
General Government		
Contractual Services	12,556.20	6,892.00
Capital Outlay	-	272,342.74
Total Expenditures and Transfers	12,556.20	279,234.74
Receipts Over(Under) Expenditures	12,698.63	(111,198.63)
Unencumbered Cash, Beginning	98,500.00	111,198.63
Unencumbered Cash, Ending	\$ 111,198.63	\$ -

The notes to the financial statements are  
an integral part of this statement.

**CITY OF ALTAMONT, KANSAS**  
**SEWER GRANT FUND**

Statement of Cash Receipts and Expenditures - Actual  
For the Year Ended December 31, 2010

(With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Operating Transfers from Sewer Utility Fund	\$ -	\$ 15,500.00
Total Cash Receipts	-	15,500.00
Expenditures and Transfers		
General Government		
Contractual Services	-	10,226.50
Capital Outlay	-	25,978.38
Total Expenditures and Transfers	-	36,204.88
Receipts Over(Under) Expenditures	-	(20,704.88)
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ -	\$ (20,704.88)

The notes to the financial statements are  
an integral part of this statement.

**CITY OF ALTAMONT, KANSAS**  
**ELECTRIC UTILITY FUND**

Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended December 31, 2010

(With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Charges for Services				
Electricity Sales	\$ 790,046.03	\$ 841,727.71	\$ 829,000.00	\$ 12,727.71
Service Fees	345.00	375.00	-	375.00
Use of Money and Property				
Interest Income	782.14	1,081.81	-	1,081.81
Other Receipts				
Reimbursed Expense	767.40	2,279.51	-	2,279.51
Total Cash Receipts	791,940.57	845,464.03	\$ 829,000.00	\$ 16,464.03
Expenditures and Transfers				
Subject to Budget				
Generation and Distribution				
Personal Services	90,410.87	103,207.25	\$ 100,000.00	\$ 3,207.25
Contractual Services	490,866.25	515,248.61	520,000.00	(4,751.39)
Commodities	29,385.60	29,113.83	26,000.00	3,113.83
Capital Outlay	10,108.93	7,669.59	12,000.00	(4,330.41)
Operating Transfers to:				
General Fund	32,607.20	36,000.00	36,000.00	-
Swimming Pool Fund	11,000.00	9,000.00	11,000.00	(2,000.00)
Insurance and Equipment				
Reserve Fund	5,000.00	10,000.00	20,500.00	(10,500.00)
Electric Utility Reserve Fund	5,000.00	10,000.00	-	10,000.00
Utility Truck Lease Purchase Fund	29,000.00	24,000.00	36,000.00	(12,000.00)
Electric Utility Bond				
and Interest Fund	65,000.00	63,996.00	74,000.00	(10,004.00)
Total Certified Budget			835,500.00	(27,264.72)
Adjustments for Qualifying				
Budget Credits			2,279.51	(2,279.51)
Total Expenditures and Transfers				
Subject to Budget	768,378.85	808,235.28	\$ 837,779.51	\$ (29,544.23)
Receipts Over(Under) Expenditures	23,561.72	37,228.75		
Unencumbered Cash, Beginning	10,276.16	33,837.88		
Unencumbered Cash, Ending	\$ 33,837.88	\$ 71,066.63		

The notes to the financial statements are  
an integral part of this statement.



**CITY OF ALTAMONT, KANSAS**  
**ELECTRIC UTILITY BOND AND INTEREST FUND**

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended December 31, 2010

(With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Cash Receipts				
Use of Money and Property				
Interest Income	\$ 458.43	\$ 1,182.05	\$ 1,000.00	\$ 182.05
Operating Transfers from Electric Utility Fund	65,000.00	63,996.00	64,000.00	(4.00)
Total Cash Receipts	65,458.43	65,178.05	\$ 65,000.00	\$ 178.05
Expenditures and Transfers Subject to Budget				
Debt Service				
Bond Principal	55,000.00	55,000.00	\$ 77,000.00	\$ (22,000.00)
Bond Interest	20,697.50	18,992.50	-	18,992.50
Total Expenditures and Transfers Subject to Budget	75,697.50	73,992.50	\$ 77,000.00	\$ (3,007.50)
Receipts Over(Under) Expenditures	(10,239.07)	(8,814.45)		
Unencumbered Cash, Beginning	168,776.13	158,537.06		
Unencumbered Cash, Ending	\$ 158,537.06	\$ 149,722.61		

The notes to the financial statements are  
an integral part of this statement.

**CITY OF ALTAMONT, KANSAS**  
**ELECTRIC UTILITY RESERVE FUND**

Statement of Cash Receipts and Expenditures - Actual  
For the Year Ended December 31, 2010

(With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Use of Money and Property		
Interest Income	\$ 133.88	\$ 73.18
Operating Transfers from		
Electric Utility Fund	<u>5,000.00</u>	<u>10,000.00</u>
Total Cash Receipts	<u>5,133.88</u>	<u>10,073.18</u>
Expenditures and Transfers		
Operating Expense		
Capital Outlay	<u>3,635.19</u>	<u>-</u>
Total Expenditures and Transfers	<u>3,635.19</u>	<u>-</u>
Receipts Over(Under) Expenditures	1,498.69	10,073.18
Unencumbered Cash, Beginning	<u>9,645.85</u>	<u>11,144.54</u>
Unencumbered Cash, Ending	<u>\$ 11,144.54</u>	<u>\$ 21,217.72</u>

The notes to the financial statements are  
an integral part of this statement.

**CITY OF ALTAMONT, KANSAS**  
**ELECTRIC UTILITY BOND RESERVE FUND**  
Statement of Cash Receipts and Expenditures - Actual  
For the Year Ended December 31, 2010  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Use of Money and Property		
Interest Income	\$ -	\$ -
Total Cash Receipts	-	-
Expenditures and Transfers		
Operating Expense		
Capital Outlay	-	-
Total Expenditures and Transfers	-	-
Receipts Over(Under) Expenditures	-	-
Unencumbered Cash, Beginning	104,553.40	104,553.40
Unencumbered Cash, Ending	\$ 104,553.40	\$ 104,553.40

The notes to the financial statements are  
an integral part of this statement.

**CITY OF ALTAMONT, KANSAS**  
**WATER UTILITY FUND**

Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended December 31, 2010  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Cash Receipts				
Charges for Services				
Water Sales	\$ 197,936.71	\$ 215,067.37	\$ 250,000.00	\$ (34,932.63)
Service Fees	345.00	489.30	-	489.00
Use of Money and Property				
Interest Income	155.95	149.56	-	150.00
Other Receipts				
Miscellaneous	787.56	1,682.50	-	1,683.00
Reimbursed Expense	-	662.40	-	662.00
Operating Transfers from				
City Sales Tax Fund	9,461.75	-	-	-
Total Cash Receipts	208,686.97	218,051.13	\$ 250,000.00	\$ (31,948.63)
Expenditures and Transfers				
Subject to Budget				
Treatment and Distribution				
Personal Services	54,906.14	52,931.27	\$ 64,490.00	\$ (11,558.73)
Contractual Services	132,456.83	161,780.77	155,000.00	6,780.77
Commodities	6,956.63	7,025.40	10,000.00	(2,974.60)
Capital Outlay	2,617.98	381.57	7,000.00	(6,618.43)
Operating Transfers to:				
Library Fund	3,000.00	3,000.00	3,000.00	-
Swimming Pool Fund	10,000.00	4,000.00	10,000.00	(6,000.00)
Water Reserve Fund	-	1,000.00	6,000.00	(5,000.00)
Total Expenditures and Transfers				
Subject to Budget	209,937.58	230,119.01	\$ 255,490.00	\$ (25,370.99)
Receipts Over(Under) Expenditures	(1,250.61)	(12,067.88)		
Unencumbered Cash, Beginning	5,490.01	4,239.40		
Unencumbered Cash, Ending	\$ 4,239.40	\$ (7,828.48)		

The notes to the financial statements are  
an integral part of this statement.

**CITY OF ALTAMONT, KANSAS**  
**WATER UTILITY RESERVE FUND**

Statement of Cash Receipts and Expenditures - Actual  
For the Year Ended December 31, 2010

(With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Use of Money and Property		
Interest Income	\$ 807.33	\$ 73.18
Operating Transfers from		
Water Utility Fund	<u>-</u>	<u>1,000.00</u>
Total Cash Receipts	<u>807.33</u>	<u>1,073.18</u>
Expenditures and Transfers		
Operating Expense		
Capital Outlay	<u>1,729.35</u>	<u>21,680.00</u>
Total Expenditures and Transfers	<u>1,729.35</u>	<u>21,680.00</u>
Receipts Over(Under) Expenditures	(922.02)	(20,606.82)
Unencumbered Cash, Beginning	<u>56,242.32</u>	<u>55,320.30</u>
Unencumbered Cash, Ending	<u>\$ 55,320.30</u>	<u>\$ 34,713.48</u>

The notes to the financial statements are  
an integral part of this statement.

**CITY OF ALTAMONT, KANSAS**  
**SEWER UTILITY FUND**

Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended December 31, 2010  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Charges for Services				
Sewer Collections	\$ 84,147.29	\$ 89,565.34	\$ 115,000.00	\$ (25,434.66)
Service Fees	100.00	100.00	-	100.00
Use of Money and Property				
Interest Income	90.50	195.40	-	195.40
Other Receipts				
Reimbursed Expense	1,271.00	66.72	-	66.72
Total Cash Receipts	85,608.79	89,927.46	\$ 115,000.00	\$ (25,072.54)
Expenditures and Transfers				
Subject to Budget				
Operating Expenditures				
Personal Services	45,215.27	38,139.62	\$ 63,000.00	\$ (24,860.38)
Contractual Services	17,547.47	19,729.84	18,000.00	1,729.84
Commodities	12,509.88	14,909.77	14,000.00	909.77
Capital Outlay	3,599.17	4,222.93	60,000.00	(55,777.07)
Operating Transfers to:				
Sewer Utility Reserve Fund	5,000.00	-	5,000.00	(5,000.00)
Sewer Grant Fund	-	15,500.00	-	15,500.00
Total Certified Budget			160,000.00	(92,570.38)
Adjustments for Qualifying				
Budget Credits			66.72	(66.72)
Total Expenditures and Transfers				
Subject to Budget	83,871.79	92,502.16	\$ 160,066.72	\$ (92,637.10)
Receipts Over(Under) Expenditures	1,737.00	(2,574.70)		
Unencumbered Cash, Beginning	13,683.58	15,420.58		
Unencumbered Cash, Ending	\$ 15,420.58	\$ 12,845.88		

The notes to the financial statements are  
an integral part of this statement.

**CITY OF ALTAMONT, KANSAS**  
**SEWER UTILITY RESERVE FUND**

Statement of Cash Receipts and Expenditures - Actual  
For the Year Ended December 31, 2010

(With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Use of Money and Property		
Interest Income	\$ 470.78	\$ 73.18
Operating Transfers from:		
City Sales Tax Fund	10,000.00	-
Sewer Utility Fund	5,000.00	-
Total Cash Receipts	15,470.78	73.18
Expenditures and Transfers		
Operating Expense		
Capital Outlay	32,057.98	348.06
Total Expenditures and Transfers	32,057.98	348.06
Receipts Over(Under) Expenditures	(16,587.20)	(274.88)
Unencumbered Cash, Beginning	44,605.41	28,018.21
Unencumbered Cash, Ending	\$ 28,018.21	\$ 27,743.33

The notes to the financial statements are  
an integral part of this statement.

**CITY OF ALTAMONT, KANSAS**  
**GAS UTILITY FUND**

Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended December 31, 2010  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Charges for Services				
Gas Sales	\$ 629,449.30	\$ 540,734.56	\$ 750,000.00	\$ (209,265.44)
Service Fees	310.00	375.00	-	375.00
Use of Money and Property				
Interest Income	1,503.42	672.07	-	672.07
Other Receipts				
Reimbursed Expense	582.24	303.22	-	303.22
Total Cash Receipts	631,844.96	542,084.85	\$ 750,000.00	\$ (207,915.15)
Expenditures and Transfers				
Subject to Budget				
Operating Expenditures				
Personal Services	39,116.32	66,856.51	\$ 75,000.00	\$ (8,143.49)
Contractual Services	605,153.16	342,395.53	593,246.00	(250,850.47)
Commodities	6,991.63	14,662.77	9,000.00	5,662.77
Capital Outlay	11,246.62	11,966.96	16,000.00	(4,033.04)
Operating Transfers to:				
General Fund	5,000.00	25,000.00	25,000.00	-
Swimming Pool Fund	10,000.00	6,000.00	10,000.00	(4,000.00)
Gas Utility Reserve Fund	-	37,000.00	20,000.00	17,000.00
Equipment Reserve Fund	-	-	2,000.00	(2,000.00)
Total Certified Budget			750,246.00	(246,364.23)
Adjustments for Qualifying				
Budget Credits			303.22	(303.22)
Total Expenditures and Transfers				
Subject to Budget	677,507.73	503,881.77	\$ 750,549.22	\$ (246,667.45)
Receipts Over(Under) Expenditures	(45,662.77)	38,203.08		
Unencumbered Cash, Beginning	12,246.51	(33,416.26)		
Unencumbered Cash, Ending	\$ (33,416.26)	\$ 4,786.82		

The notes to the financial statements are  
an integral part of this statement.



**CITY OF ALTAMONT, KANSAS**  
**GAS UTILITY RESERVE FUND**

Statement of Cash Receipts and Expenditures - Actual  
For the Year Ended December 31, 2010

(With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Use of Money and Property		
Interest Income	\$ 125.91	\$ 73.18
Other Receipts		
Miscellaneous Income	-	10,000.00
Operating Transfers from		
Gas Utility Fund	-	37,000.00
City Sales TaxFund	-	10,000.00
Total Cash Receipts	125.91	57,073.18
Expenditures and Transfers		
Operating Expenditures		
Capital Outlay	-	66,064.32
Total Expenditures and Transfers	-	66,064.32
Receipts Over(Under) Expenditures	125.91	(8,991.14)
Unencumbered Cash, Beginning	8,910.89	9,036.80
Unencumbered Cash, Ending	\$ 9,036.80	\$ 45.66

The notes to the financial statements are  
an integral part of this statement.

**CITY OF ALTAMONT, KANSAS**  
**SANITATION UTILITY FUND**

Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended December 31, 2010  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Charges for Services				
Sanitation Sales	\$ 112,878.54	\$ 111,839.74	\$ 130,000.00	\$ (18,160.26)
Use of Money and Property				
Interest Income	249.83	118.61	-	118.61
Other Receipts				
Miscellaneous	-	91.10	-	91.10
Reimbursed Expense	18.90	73.44	-	73.44
Total Cash Receipts	113,147.27	112,122.89	\$ 130,000.00	\$ (17,877.11)
Expenditures and Transfers				
Subject to Budget				
Operating Expenditures				
Personal Services	61,097.91	43,900.68	\$ 52,000.00	\$ (8,099.32)
Contractual Services	44,312.29	48,781.05	50,000.00	(1,218.95)
Commodities	10,649.94	8,293.57	12,000.00	(3,706.43)
Capital Outlay	2,470.51	1,700.47	10,000.00	(8,299.53)
Operating Transfers to:				
Equipment Reserve Fund	-	-	10,000.00	(10,000.00)
Fire Truck and Siren G.O. Bond and Interest Fund	12,000.00	12,000.00	12,000.00	-
Total Certified Budget			146,000.00	(31,324.23)
Adjustments for Qualifying				
Budget Credits			73.44	(73.44)
Total Expenditures and Transfers Subject to Budget	130,530.65	114,675.77	\$ 146,073.44	\$ (31,397.67)
Receipts Over(Under) Expenditures	(17,383.38)	(2,552.88)		
Unencumbered Cash, Beginning	30,333.66	12,950.28		
Unencumbered Cash, Ending	\$ 12,950.28	\$ 10,397.40		

The notes to the financial statements are  
an integral part of this statement.

**CITY OF ALTAMONT, KANSAS**  
**CABLE TELEVISION UTILITY FUND**

Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended December 31, 2010  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Charges for Services				
Cable Charges	\$ 48,350.00	\$ 34.40	\$ -	\$ 34.40
Service Fees	120.00	-	-	-
Use of Money and Property				
Interest Income	33.36	-	-	-
Sale of Utility System	52,019.06	-	-	-
Other Receipts				
Miscellaneous	423.55	-	-	-
Reimbursed Expense	418.72	7,319.42	-	7,319.42
Advertising Sales	204.30	88.00	-	88.00
Operating Transfers from Cable Television Utility Reserve Fund	12,175.20	-	-	-
Total Cash Receipts	113,744.19	7,441.82	\$ -	\$ 7,441.82
Expenditures and Transfers				
Subject to Budget				
Operating Expenditures				
Personal Services	32,518.78	-	\$ 32,000.00	\$ (32,000.00)
Contractual Services	75,884.20	3,681.84	-	3,681.84
Commodities	1,510.77	-	-	-
Capital Outlay	287.00	12,506.07	-	12,506.07
Operating Transfers to Broadband & Cable Bond & Interest Fund	3,000.00	-	-	-
Total Certified Budget			32,000.00	(15,812.09)
Adjustments for Qualifying Budget Credits			7,319.42	(7,319.42)
Total Expenditures and Transfers Subject to Budget	113,200.75	16,187.91	\$ 39,319.42	\$ (23,131.51)
Receipts Over(Under) Expenditures	543.44	(8,746.09)		
Unencumbered Cash, Beginning	8,202.65	8,746.09		
Unencumbered Cash, Ending	\$ 8,746.09	\$ -		

The notes to the financial statements are  
an integral part of this statement.

**CITY OF ALTAMONT, KANSAS**  
**CABLE TELEVISION UTILITY RESERVE FUND**  
Statement of Cash Receipts and Expenditures - Actual  
For the Year Ended December 31, 2010

(With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Use of Money and Property		
Interest Income	\$ -	\$ -
Total Cash Receipts	-	-
Expenditures and Transfers		
Operating Transfers to		
Cable Television Utility Fund	12,175.20	-
Total Expenditures and Transfers	12,175.20	-
Receipts Over(Under) Expenditures	(12,175.20)	-
Unencumbered Cash, Beginning	12,175.20	-
Unencumbered Cash, Ending	\$ -	\$ -

The notes to the financial statements are  
an integral part of this statement.

**CITY OF ALTAMONT, KANSAS**  
**INTERNET UTILITY FUND**

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended December 31, 2010

(With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Charges for Services				
Internet Charges	\$ 7,218.56	\$ -	\$ -	\$ -
Service Fees	20.00	-	-	-
Use of Money and Property				
Interest Income	11.12	-	-	-
Other Receipts				
Reimbursed Expense	28.00	-	-	-
Total Cash Receipts	7,277.68	-	\$ -	\$ -
Expenditures and Transfers				
Subject to Budget				
Operating Expenditures				
Contractual Services	8,495.64	-	\$ -	\$ -
Operating Transfers to				
Broadband & Cable Bond				
& Interest Fund	2,236.57	-	-	-
Total Expenditures and Transfers				
Subject to Budget	10,732.21	-	\$ -	\$ -
Receipts Over(Under) Expenditures	(3,454.53)	-		
Unencumbered Cash, Beginning	3,454.53	-		
Unencumbered Cash, Ending	\$ -	\$ -		

The notes to the financial statements are  
an integral part of this statement.

**CITY OF ALTAMONT, KANSAS**  
**BROADBAND INTERNET UTILITY FUND**

Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended December 31, 2010  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year		Variance - Over (Under)
	Actual	Actual	Budget	
Cash Receipts				
Charges for Services				
Internet Charges	\$ 49,819.46	\$ 64.63	\$ -	\$ 64.63
Service Fees	471.00	-	-	-
Use of Money and Property				
Interest Income	100.08	-	500.00	(500.00)
Sale of Utility System	185,000.00	-	-	-
Other Receipts				
Reimbursed Expense	-	485.00	-	485.00
Total Cash Receipts	235,390.54	549.63	\$ 500.00	\$ 49.63
Expenditures and Transfers				
Subject to Budget				
Operating Expenditures				
Personal Services	34,205.34	36,961.30	\$ 130,000.00	\$ (93,038.70)
Contractual Services	43,863.48	8,556.89	-	8,556.89
Commodities	4,887.28	19.53	-	19.53
Operating Transfers to:				
General Fund	4,000.00	-	-	-
Broadband & Cable Bond & Interest Fund	98,587.38	-	-	-
Total Expenditures and Transfers Subject to Budget	185,543.48	45,537.72	\$ 130,000.00	\$ (84,462.28)
Receipts Over(Under) Expenditures	49,847.06	(44,988.09)		
Unencumbered Cash, Beginning	15,462.36	65,309.42		
Unencumbered Cash, Ending	\$ 65,309.42	\$ 20,321.33		

The notes to the financial statements are  
an integral part of this statement.

**CITY OF ALTAMONT, KANSAS**  
**BROADBAND & CABLE BOND & INTEREST FUND**

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended December 31, 2010

(With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Cash Receipts				
Use of Money and Property				
Interest Income	\$ 38.92	\$ -	\$ -	\$ -
Operating Transfers from:				
Broadband Internet Utility Fund	98,587.38	-	-	-
Cable Television Utility Fund	3,000.00	-	-	-
Internet Utility Fund	2,236.57	-	-	-
Broadband & Cable Bond Reserve Fund	16,253.89	-	-	-
Total Cash Receipts	120,116.76	-	\$ -	\$ -
Expenditures and Transfers				
Subject to Budget				
Debt Service				
Bond Principal	101,746.11	-	\$ -	\$ -
Bond Interest	23,203.89	-	-	-
Debt Service Costs	5.00	-	-	-
Total Expenditures and Transfers Subject to Budget	124,955.00	-	\$ -	\$ -
Receipts Over(Under) Expenditures	(4,838.24)	-		
Unencumbered Cash, Beginning	4,838.24	-		
Unencumbered Cash, Ending	\$ -	\$ -		

The notes to the financial statements are  
an integral part of this statement.

**CITY OF ALTAMONT, KANSAS**  
**BROADBAND & CABLE BOND RESERVE FUND**

Statement of Cash Receipts and Expenditures - Actual  
For the Year Ended December 31, 2010

(With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Use of Money and Property		
Interest Income	\$ -	\$ -
Total Cash Receipts	-	-
Expenditures and Transfers		
Operating Transfer to:		
Broadband & Cable Bond & Interest Fund	16,253.89	-
Total Expenditures and Transfers	16,253.89	-
Receipts Over(Under) Expenditures	(16,253.89)	-
Unencumbered Cash, Beginning	16,253.89	-
Unencumbered Cash, Ending	\$ -	\$ -

The notes to the financial statements are  
an integral part of this statement.



**CITY OF ALTAMONT, KANSAS**  
**SWIMMING POOL FUND**

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended December 31, 2010

(With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Charges for Services				
Gate Receipts, Swimming Lessons, and Season Tickets	\$ 9,097.82	\$ 7,063.65	\$ 11,000.00	\$ (3,936.35)
Use of Money and Property				
Interest Income	5.56	10.08	100.00	(89.92)
Other Receipts				
Miscellaneous	50.00	-	100.00	(100.00)
Reimbursed Expense	-	50.00	-	50.00
Operating Transfers from:				
Electric Utility Fund	11,000.00	9,000.00	11,000.00	(2,000.00)
Gas Utility Fund	10,000.00	6,000.00	10,000.00	(4,000.00)
Water Utility Fund	10,000.00	4,000.00	10,000.00	(6,000.00)
Total Cash Receipts	40,153.38	26,123.73	\$ 42,200.00	\$ (16,076.27)
Expenditures and Transfers				
Subject to Budget				
Culture and Recreation				
Personal Services	16,501.10	13,973.23	\$ 15,547.00	\$ (1,573.77)
Contractual Services	1,913.24	1,673.30	4,000.00	(2,326.70)
Commodities	17,698.30	9,464.13	11,000.00	(1,535.87)
Capital Outlay	3,129.48	277.62	7,596.00	(7,318.38)
Total Expenditures and Transfers Subject to Budget	39,242.12	25,388.28	\$ 38,143.00	\$ (12,754.72)
Receipts Over(Under) Expenditures	911.26	735.45		
Unencumbered Cash, Beginning	321.64	1,232.90		
Unencumbered Cash, Ending	\$ 1,232.90	\$ 1,968.35		

The notes to the financial statements are  
an integral part of this statement.

## CITY OF ALTAMONT, KANSAS

## AGENCY FUNDS

Summary of Cash Receipts and Cash Disbursements  
For the Year Ended December 31, 2010

Funds	Beginning Cash Balances	Cash Receipts	Cash Disbursements	Ending Cash Balances
Sales Tax Fund	\$ 1,595.67	\$ 27,026.10	\$ 26,923.96	\$ 1,697.81
Utility Deposits Fund	16,533.00	5,820.00	5,088.04	17,264.96
Unapplied Utility Credit Fund	15,673.45	778.39	3,134.13	13,317.71
Heatshare Donations Fund	10.00	852.08	848.08	14.00
Al's Fitness Center	255.00	1,890.00	1,940.00	205.00
Flexible Medical Spending Account	-	4,740.00	4,740.00	-
Total Agency Funds	<u>\$ 34,067.12</u>	<u>\$ 41,106.57</u>	<u>\$ 42,674.21</u>	<u>\$ 32,499.48</u>

The notes to the financial statements are  
an integral part of this statement.

**CITY OF ALTAMONT, KANSAS**  
**ALTAMONT PUBLIC LIBRARY**

Statement of Cash Receipts and Expenditures - Actual  
For the Year Ended December 31, 2010

(With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Taxes and Shared Revenue		
SEK Library Association	\$ 5,742.53	\$ 5,258.00
State Aid	653.00	589.00
Use of Money and Property		
Interest Income	1,078.96	836.58
Other Receipts		
Miscellaneous	586.60	624.00
	<u>8,061.09</u>	<u>7,307.58</u>
Total Cash Receipts		
Expenditures and Transfers		
Culture and Recreation		
Books and Periodicals	4,484.95	5,272.25
Utilities and Telephone	500.61	72.77
Computers & Equipment	67.11	-
Postage and Supplies	690.57	178.80
	<u>5,743.24</u>	<u>5,523.82</u>
Total Expenditures and Transfers		
Receipts Over(Under) Expenditures	2,317.85	1,783.76
Unencumbered Cash, Beginning	<u>53,022.60</u>	<u>55,340.45</u>
Unencumbered Cash, Ending	<u>\$ 55,340.45</u>	<u>\$ 57,124.21</u>

The notes to the financial statements are  
an integral part of this statement.

**CITY OF ALTAMONT, KANSAS**  
**ALTAMONT RECREATION COMMISSION**

Statement of Cash Receipts and Expenditures - Actual  
For the Year Ended December 31, 2010

(With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Taxes and Shared Revenue		
Appropriation from City	\$ 5,100.00	\$ 5,682.73
Use of Money and Property		
Interest Income	334.70	281.59
Other Receipt		
Memorials and Donations	195.00	1,685.00
Total Cash Receipts	5,629.70	7,649.32
Expenditures		
Culture and Recreation		
Contractual Services	4,226.14	6,109.82
Commodities	251.61	1,928.58
Total Expenditures	4,477.75	8,038.40
Receipts Over(Under) Expenditures	1,151.95	(389.08)
Unencumbered Cash, Beginning	21,871.07	23,023.02
Unencumbered Cash, Ending	\$ 23,023.02	\$ 22,633.94

The note to the financial statements are  
an integral part of this statement.

## **CITY OF ALTAMONT, KANSAS**

### **Notes to the Financial Statements For the Year Ended December 31, 2010**

#### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the City of Altamont, Kansas have been prepared in order to show compliance with the cash basis and budget laws of the State of Kansas. The Governmental Accounting Standards Board is the principal standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies follow. Note 1 describes how the City's accounting policies differ from accounting principles generally accepted in the United States of America.

##### Reporting Entity

The City of Altamont, Kansas is a municipal corporation governed by an elected five member council. These financial statements present the City of Altamont, Kansas (the primary government) and its component units. The component units are included in the City's reporting entity because of the significance of their operational or financial relationships with the City.

*Discretely Presented Component Units.* The component units section of these financial statements includes the financial data of the discretely presented component units. These component units are reported separately to emphasize that they are legally separate from the City. Based upon the application of these criteria, the following is a description of the component units included in the City's report:

Altamont Public Library – The City of Altamont, Kansas, Library Board operates the City's public library. The City levies taxes for the Library Board and significantly influences the Library's operations. This agency should be included as a discretely presented component of the City. Separate financial statements are not prepared.

##### Altamont Recreation Commission

The Altamont Recreation Commission oversees recreational activities. The City levies taxes for the Recreation Commission. Bond issuance or acquisition of real property must be approved by the City. Separate financial statements are not prepared.

##### Basis of Presentation – Fund Accounting

A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The following types of funds comprise the financial activities of the City of Altamont, Kansas, for the year of 2010:

## 1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

### **Basis of Presentation – Fund Accounting** (Continued)

#### **GOVERNMENTAL FUNDS**

General Fund – to account for all unrestricted resources except those required to be accounted for in another fund.

Special Revenue Funds – to account for the proceeds of specific revenue sources (other than special assessments or major capital projects) that are restricted by law or administrative action to expenditure for specified purposes.

Capital Projects Funds – to account for capital improvements (except for those financed by proprietary funds) which are financed from the City's general obligation bond issues, special assessment, certain federal grants and other specific receipts.

Debt Service Fund – to account for the accumulation of resources for, and the payment of, interest and principal on general long-term debt, and the financing of special assessments which are general obligations of the City of Altamont, Kansas.

#### **PROPRIETARY FUNDS**

Enterprise Funds – to account for operations that are financed and operated in a manner similar to private business enterprises – where the stated intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges – or where periodic determination of revenues earned, expenses incurred, and/or net income is deemed appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

#### **FIDUCIARY FUNDS**

Trust and Agency Funds – to account for assets held by a governmental unit in a trustee capacity or as an agency for individuals, private organizations, other governmental units, and/or other funds. These include (a) Expendable Trust Funds, (b) Nonexpendable Trust Funds, and (c) Agency Funds.

### **Basis of Presentation – Statutory Basis of Accounting**

The statutory basis of accounting, as used in preparation of these statutory basis financial statements, is designed to demonstrate compliance with the cash basis and budget laws of the State of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. Expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods and services, and are usually evidenced by a purchase order or written contract. For an interfund transaction, a cash receipt is recorded in the fund receiving the cash from another fund, and an expenditure would be charged in the fund from which the transfer is made.

The City has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the City to use the statutory basis of accounting.

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### Departures from Accounting Principles Generally Accepted in the United States of America

The basis of accounting described above results in a financial statement presentation which shows cash receipts, expenditures, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories and prepaid expense, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented. Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year-end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with generally accepted accounting principles. Capital assets that account for the land, buildings, and equipment owned by the City are not presented in the financial statements. Also, long-term debt such as general obligation bonds, revenue bonds, capital leases, temporary notes, and compensated absences are not presented in the financial statements.

### Property Taxes

In accordance with governing state statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and become a lien on the property on November 1<sup>st</sup> of each year. The county treasurer is the tax collection agent for all taxing entities within the county. Property owners have the option of paying one-half or the full amounts of taxes levied on or before December 20 during the year levied with the balance to be paid on or before May 10 of the ensuing year. State statutes prohibit the county treasurer from distributing taxes commencing in the year levied prior to January 1<sup>st</sup> of the ensuing year. Consequently, for revenue recognition purposes, taxes levied during the current year are not due and receivable until the ensuing year. At December 31, such taxes are a lien on the property.

### Reimbursed Expenses

K.S.A 79-2934 provides that reimbursed expenditures, in excess of those budgeted, should be recorded as reductions in expenditures rather than as revenues. In the financial statements and budget comparisons presented in this report, reimbursements and refunds are recorded as revenues. The reimbursements are recorded as cash receipts when received by the city treasurer and are often difficult to identify the exact expenditure which they are reimbursing. In funds showing expenditures in excess of the original adopted budget, reimbursements are added to the adopted budget as budget credits for comparison with the actual expenditures.

### Comparative Data

Comparative data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the City's financial position and operations. However, complete comparative data in each of the statements have not been presented since their inclusion would make the statements unduly complex and difficult to read.

### Pension Plan

Substantially all full-time City employees are members of the State of Kansas Public Employees Retirement System, which is a multi-employer state-wide pension plan. The City's policy is to fund all pension costs accrued. Such costs to be funded are actuarially determined annually by the State of Kansas.

## **2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

### Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute), debt service funds, and enterprise funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1.
2. Publication in local newspaper on or before August 5 of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. During 2010, the City amended the Special Highway Fund, Broadband Internet Utility Fund, and Sewer Utility Fund.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of the individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the statutory basis of accounting, in which, revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrance. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for capital projects funds, fiduciary funds, and reserve accounts established by revenue bonds.

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

### Revenue Bond Requirements

The City is required, under ordinances of the Electric Revenue Bonds, to maintain in its Enterprise Fund certain restricted accounts. The ordinances provide that the following reserve accounts be set up in amounts as described below:



## 2. **STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY** (Continued)

<u>RESERVE ACCOUNT</u>	<u>REQUIRED AMOUNT</u>	<u>ACTUAL AMOUNT</u>
2004 Electric Utility Bonds – requires transfers monthly of 1/6 of next maturing interest, beginning November 1, 2004, and 1/12 of next maturing principal, beginning November 1, 2004 into the Electric Utility Bond and Interest Fund.	\$ 12,853.75	\$ 149,722.61
2004 Electric Utility Bonds – requires reserves beginning November 15, 2004 in the amount of ten percent of the bond principal in the Electric Bond Reserve Fund.	<u>96,403.13</u>	<u>104,553.40</u>
Total Reserves at December 31, 2010	<u>\$ 109,256.88</u>	<u>\$ 254,726.01</u>

The City agrees to fix, establish, maintain and collect such rates, fees or charges for electric service furnished by or through the electric system which will be sufficient to enable the City to have, in each fiscal year, a net income in an amount that will be not less than 125% of the amount required to be paid by the City in the next succeeding fiscal year on account of both principal and interest of all electric utility revenue bonds of the City at the time outstanding. Net income is defined as gross income less operating expenses but before any transfers, depreciation and capital expense.

For the year ended December 31, 2010, the Electric Utility Fund had a net income, as defined by the bond agreement, of \$197,894.34 which is 256.60% of the principal and interest requirements for 2011 of \$77,122.50.

### Compliance with Kansas Statutes

Statements 1 and 2 have been prepared in order to show compliance with the cash basis and budget laws of Kansas. As shown in Statement 1, the City was in apparent violation of K.S.A. 10-1,113. The City has obligated expenditures in excess of available monies in the Sewer Grant Fund and the Water Utility Fund, however, K.S.A 10-1,116 provides that under certain situations, the fund can end the year with a negative unencumbered cash balance and therefore, exempt from the cash basis laws of the State of Kansas. The Sewer Grant Fund met the criteria under the statutes and therefore, is deemed not to be in violation of the Kansas cash basis law. As shown in Statement 2, the City was in apparent compliance with the Kansas budget laws.

## 3. **DEPOSITS AND INVESTMENTS**

K.S.A 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main branch or branch bank in the county in which the City is located, or in an adjoining county if such has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

### **3. DEPOSITS AND INVESTMENTS (Continued)**

K.S.A 12-1675 limits the City's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. Government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City has no investment policy that would further limit its investment choices.

*Concentration of credit risk.* State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

*Custodial credit risk – deposits.* Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka. All deposits were legally secured at December 31, 2010.

At year-end, the City's carrying amount of deposits was \$910,678.00 and the bank balance was \$1,010,576.56. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$250,000.00 was covered by FDIC insurance and \$760,576.56 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

### **4. DEFINED BENEFIT PENSION PLAN**

#### Plan Description

The City of Altamont participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S Kansas, Suite 100; Topeka, KS 66603-3869) or by calling 1-888-275-5737.

#### Funding Policy

K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% or 6 % of covered salary. The employer collects and remits member-employee contributions according to the provisions of section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rates be determined annually based on the results of an annual actuarial valuation. KPERS is funded on an actuarial reserve basis. State law sets a limitation on annual increases in the employer contribution rates. The employer rates established for 2010 was 7.14%. The City of Altamont, Kansas' employer contributions to KPERS for the years ending December 31, 2010, 2009, and 2008, were \$30,004.84, \$26,382.46, and \$26,045.29, respectively, equal to the statutory required contributions for each year.

## **5. COMPENSATED ABSENCES**

All full-time employees of the City after one year of employment are eligible for 10 days of vacation benefits. All full-time employees of the City after ten years of employment are eligible for 15 days of vacation benefits. All full-time employees of the City after twenty years of employment are eligible for 20 days of vacation benefits. Vacation is not earned for partial years worked. Vacation must be used by each anniversary date. In the event of termination, unused accrued vacation time is paid.

Sick leave accrues to all full-time employees at the rate of one day per month until a maximum of 60 days has been accrued. An employee shall be paid for accumulated sick leave up to 25% up to 60 days.

The City determines a liability for compensated absences when the following conditions are met:

1. The City's obligation relating to employees' rights to receive compensation for future absences is attributable to employees' services already rendered.
2. The obligation related to rights that vest or accumulate.
3. Payment of the compensation is probable.
4. The amount can be reasonably estimated and is material to the financial statements.

In accordance with the above criteria, the City has accrued a liability for vacation and sick pay in Footnote 6, Long-Term Liabilities.

## 6. LONG-TERM LIABILITIES

Changes in long-term liabilities for the City for the year ended December 31, 2010, were as follows:

Issue	Interest Rates	Date of Issue	Amount of issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Net Change	Balance End of Year	Interest Paid
General Obligation Bonds										
Paid with Tax Levies										
Series 2005	5.10-5.70%	June 1, 2005	\$ 330,000.00	September 1, 2017	\$ 235,000.00	\$ -	\$ 25,000.00		\$ 210,000.00	\$ 9,330.00
Revenue Bonds										
Paid with Utility Revenues										
Series 2004 - Electric	2.00-4.30%	November 15, 2004	735,000.00	November 1, 2016	475,000.00	-	55,000.00		420,000.00	18,992.50
Temporary Notes										
Paid with Tax Levies										
Firemen's Relief	1.00%	December 30, 2006	11,035.50	December 30, 2011	4,480.35	-	2,229.00		2,251.35	44.80
Total Contractual Indebtedness										
Compensated Absences	N/A	N/A	N/A	N/A	714,480.35	-	82,229.00		632,251.35	28,367.30
					23,735.28			\$ 2,442.22	26,177.50	N/A
Total Long-Term Liabilities					\$ 738,215.63	\$ -	\$ 82,229.00	\$ 2,442.22	\$ 658,428.85	\$ 28,367.30

## 6. LONG-TERM LIABILITIES (Continued)

Current maturities of contractual indebtedness and interest for the next five years and in five year increments through maturity is as follows:

Issue	2011	2012	2013	2014	2015	2016-2018	Total
<b>Principal</b>							
General Obligation Bonds							
Paid with Tax Levies							
Series 2005	\$ 25,000.00	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00	\$ 65,000.00	\$ 210,000.00
Revenue Bonds							
Paid with Utility Revenues							
Series 2004	60,000.00	60,000.00	60,000.00	65,000.00	70,000.00	105,000.00	420,000.00
Temporary Notes							
Paid with Tax Levies							
2006 Firemen's Relief	2,251.35	-	-	-	-	-	2,251.35
Total Principal Payments	87,251.35	90,000.00	90,000.00	95,000.00	100,000.00	170,000.00	632,251.35
<b>Interest</b>							
General Obligation Bonds							
Paid with Tax Levies							
Series 2005	8,455.00	7,555.00	6,430.00	5,275.00	4,075.00	4,370.00	36,160.00
Revenue Bonds							
Paid with Utility Revenues							
Series 2004	17,122.50	14,962.50	12,622.50	10,222.50	7,525.00	4,515.00	66,970.00
Temporary Notes							
Paid with Tax Levies							
2006 Firemen's Relief	22.45	-	-	-	-	-	22.45
Total Interest Payments	25,599.95	22,517.50	19,052.50	15,497.50	11,600.00	8,885.00	103,152.45
Total Principal and Interest	\$ 112,851.30	\$ 112,517.50	\$ 109,052.50	\$ 110,497.50	\$ 111,600.00	\$ 178,885.00	\$ 735,403.80

## **7. OTHER POST EMPLOYMENT BENEFITS**

As provided by K.S.A. 12-5040, the local government allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the City is subsidizing the retirees because each participant is charged the level of premium regardless of age. However, the cost of this subsidy has not been quantified in these financial statements.

Under Consolidated Omnibus Budget Reconciliation Act (COBRA), the City makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the Federal government for this coverage. The Premium is paid in full by the insured. There is no cost to the City under this program.

## **8. RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employees health and life; and natural disasters. The City manages these risks of loss through the purchase of various insurance policies.

The City has been unable to obtain workers' compensation insurance at a cost it considers to be economically justifiable. For this reason, the City has joined together with other cities in the State to participate in Kansas Municipal Insurance Trust (KMIT), a public entity risk pool currently operating as a common risk management and insurance program for participating members. The City pays annual premium to KMIT for its workers' compensation insurance coverage. The agreement to participate provides that KMIT will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of a stated dollar amount for each insurance event. Additional premiums may be due if total claims for the pool are different than what has been anticipated by KMIT management.

## **9. OTHER COMMITMENTS**

In May 1980, the City entered into a forty year purchase agreement with Public Wholesale Water Supply for the purchase of water. The City has agreed to purchase 35 million gallons of water annually at the rate set annually by the District.

## **10. CAPITAL PROJECTS**

At year end, capital projects authorizations, with approved change orders, compared with expenditures from inception are as follows:

<u>PROJECT NAME</u>	<u>EXPENDITURES TO DATE</u>	<u>PROJECT AUTHORIZATION</u>	<u>EXPECTED COMPLETION DATE</u>
Street Improvement Project	\$ 279,234.00	\$ 320,000.00	Complete
Sewer Improvement Project	43,687.30	383,330.00	2011

## **11. INTERFUND TRANSFERS**

Operating transfers were as follows:

<u>From:</u>	<u>To:</u>	<u>Statutory Authority</u>	<u>Amount</u>
General Fund	Police Vehicles Fund	K.S.A. 12-1,117	\$ 14,000.00
General Fund	Street Grant Fund	K.S.A. 12-1,118	7,183.75
General Fund	Special Highway Fund	K.S.A. 12-197	19,000.00
City Sales Tax Fund	Special Highway Fund	K.S.A. 12-197	2,000.00
City Sales Tax Fund	Gas Utility Reserve Fund	K.S.A. 12-197	10,000.00
Electric Utility Fund	General Fund	K.S.A. 12-825d	36,000.00
Electric Utility Fund	Swimming Pool Fund	K.S.A. 12-825d	9,000.00
Electric Utility Fund	Utility Truck Lease Purchase Fund	K.S.A. 12-825d	24,000.00
Electric Utility Fund	Electric Utility Bond and Interest Fund	K.S.A. 12-825d	63,996.00
Electric Utility Fund	Electric Utility Reserve Fund	K.S.A. 12-825d	10,000.00
Electric Utility Fund	Insurance and Equipment Reserve Fund	K.S.A. 12-825d	10,000.00
Water Utility Fund	Swimming Pool Fund	K.S.A. 12-825d	4,000.00
Water Utility Fund	Library Fund	K.S.A. 12-825d	3,000.00
Water Utility Fund	Water Utility Reserve Fund	K.S.A. 12-825d	1,000.00
Gas Utility Fund	Swimming Pool Fund	K.S.A. 12-825d	6,000.00
Gas Utility Fund	General Fund	K.S.A. 12-825d	25,000.00
Gas Utility Fund	Gas Utility Reserve Fund	K.S.A. 12-825d	37,000.00
Sewer Utility Fund	Sewer Grant Fund	K.S.A. 12-825d	15,500.00
Sanitation Utility Fund	Fire Truck and Siren G.O. Bond and Interest Fund	K.S.A. 12-825d	12,000.00

## **12. SUBSEQUENT EVENTS**

The City evaluated events and transactions occurring subsequent year end, and there were no subsequent events requiring recognition in the financial statements. Additionally, there were no nonrecognized subsequent events requiring disclosure.